

**IN THE CLAIMS:**

1. (canceled)
2. (currently amended) ~~The optimization system of claim 1~~An optimization system for processing encoded video data, comprising:
  - a frame analysis system that determines if a current video frame having an overlaid area acts as a reference for future video frames; and
  - a system for identifying a skippable region in the overlaid area, wherein the frame analysis system examines a picture type of the current video frame, and wherein the identification system identifies the entire overlaid area as the skippable region if the current video frame comprises a B picture.
3. (currently amended) ~~The optimization system of claim 1~~An optimization system for processing encoded video data, comprising:
  - a frame analysis system that determines if a current video frame having an overlaid area acts as a reference for future video frames; and
  - a system for identifying a skippable region in the overlaid area, wherein the frame analysis system examines a sequence of video frames, and wherein the identification system identifies the entire overlaid area as the skippable region if none of the sequence of video frames acts as reference frames.

4. (currently amended) ~~The optimization system of claim 1~~An optimization system for processing encoded video data, comprising:

a frame analysis system that determines if a current video frame having an overlaid area acts as a reference for future video frames; and

a system for identifying a skippable region in the overlaid area, further comprising a motion vector analysis system that calculates a motion vector range for the current video frame.

5. (original) The optimization system of claim 4, wherein the skippable region comprises the overlaid area less an area defined by the motion vector range.

6. (currently amended) ~~The optimization system of claim 1~~An optimization system for processing encoded video data, comprising:

a frame analysis system that determines if a current video frame having an overlaid area acts as a reference for future video frames; and

a system for identifying a skippable region in the overlaid area, further comprising a motion vector analysis system that examines motion vectors in a predicted frame that references the current video frame in order to identify prediction macroblocks in the overlaid area of the current video frame.

7. (original) The optimization system of claim 6, wherein the skippable region comprises the overlaid area less the prediction macroblocks identified in the overlaid area of the current video frame.

8. (original) The optimization system of claim 6, wherein the predicted frame includes the overlaid area, and wherein the motion vector analysis system does not examine motion vectors in the overlaid area of the predicted frame.

9. (canceled)

10. (currently amended) The optimization system of claim 1~~An optimization system for processing encoded video data, comprising:~~  
~~a frame analysis system that determines if a current video frame having an overlaid area acts as a reference for future video frames; and~~  
~~a system for identifying a skippable region in the overlaid area, wherein the frame analysis system determines a plurality of predicted frames that reference the current video frame; wherein the identification system identifies a plurality of skippable regions; and wherein a final skippable region is determined as a cross set of each of the identified skippable regions.~~

11. -14. (canceled)

15. (currently amended) The program product of claim 14~~A program product, stored on a recordable medium, that when executed processes encoded video data, the program product comprising:~~

means for determining if a current video frame having an overlaid area acts as a reference for future video frames; and

means for identifying a skippable region in the overlaid area, further comprising means for calculating a motion vector range for a predicted frame that references the current video frame.

16. (original) The program product of claim 15, wherein the skippable region comprises the overlaid area less an area defined by the motion vector range.

17. (currently amended) The program product of claim 14A program product, stored on a recordable medium, that when executed processes encoded video data, the program product comprising:

means for determining if a current video frame having an overlaid area acts as a reference for future video frames; and

means for identifying a skippable region in the overlaid area, further comprising means for examining motion vectors in a predicted frame that references the current video frame to identify prediction macroblocks in the current video frame.

18. (original) The program product of claim 17, wherein the skippable region comprises the overlaid area less the identified prediction macroblocks identified in the overlaid area.

19. (canceled)

20. (canceled)

21. (currently amended) The method of claim 20A method of processing encoded video data, comprising the steps of:

determining if a current video frame having an overlaid area acts as a reference for future video frames; and

identifying a skippable region in the overlaid area, wherein the identifying step comprises the steps of:

calculating a motion vector range for a predicted frame that references the current video frame; and

identifying the skippable region as comprising the overlaid area less an area defined by the motion vector range.

22. (currently amended) The method of claim 20A method of processing encoded video data, comprising the steps of:

determining if a current video frame having an overlaid area acts as a reference for future video frames; and

identifying a skippable region in the overlaid area, wherein the identifying step comprises the steps of:

examining motion vectors in a predicted frame that references the current video frame to identify prediction macroblocks in the current video frame; and

identifying the skippable region as comprising the overlaid area

less the prediction macroblocks identified in the overlaid area.

23. (canceled)

24. (canceled)